

Springerville Town Council  
Public Hearing  
Minutes  
August 25, 2009  
6:00 p.m.

Council: Mary Nedrow Mayor, Eric Baca Vice Mayor, Bill Lucas, Ron Thebeau and Phelps Wilkins

Staff: Steve West Town Manager, Val Cordova Town Clerk, Karen Asquith CFO, Tom Malone Public Works Director.

Public: Rachel Kuenstler, CPA, Jennifer Prochnow Chamber Director, Linda Martin, Byron Smith, Dave and Amy Pulsifer, and Susie Silva.

1. Mayor Nedrow called the meeting to order with a quorum at 6:03 p.m.

2. Public Participation: None

3. Public Hearing:

Bill Lucas/Ron Thebeau motion to go into a public hearing to take public comments.

Chamber Director Jennifer Prochnow addressed the council and asked them not to cut their funding again this year. She stated that the Chamber provides a vital service in promoting the Town.

Rachel Kuenstler, CPA and Chamber Treasurer addressed the council stating that the board members present are here to support their Chamber Director and their budget. .

There were no more comments from the public.

Bill Lucas/Ron Thebeau motion to close the public hearing on the budget and reconvene the regular meeting.

Vote:	Ayes:	Mary Nedrow
		Eric Baca
		Bill Lucas
		Ron Thebeau
		Phelps Wilkins

4. Resolution 2009-R009: Discussion and action regarding adopting Resolution 2009-R009 adopting the 2009-R010 FY Budget for the Town of Springerville.

Councilman Lucas asked for clarification on whether a motion can be amended after it's made. He as advised that he could do so.

Bill Lucas/Eric Baca motion to adopt Resolution 2009-R009 adopting the FY 2009-2010 Fiscal Year budget.

Councilman Lucas said he had concerns with a couple of areas in the budget noting he appreciates the benefits and value of the Chamber of Commerce but would really like to see them put together some means to measure their value and suggested that over the next 12 months they put together some way to measure their value substantiating the things they do well.

Ms. Prochnow asked to address the council explaining they are implementing a referral card system. Visitors that are referred to a business will be given a card then asked to turn the card into the business and have added two pages to the Chamber website and additional links to the chamber on those pages.

Councilman Lucas said his other concern is with the senior center. He hadn't received enough information regarding the services and scope of activities they provide, who's benefiting and are they residents of Springerville.

He'd also like to have more information on the grants listed on page two. From his perspective without further information, he'd be inclined to move certain line items into a contingency fund where the money would still be available once enough information is provided to show it's a service to be offered for the scope of work for the senior center and authorized by the town manager. He emphasized he didn't want to cancel it and wants the money available if the proper documents can be presented to show why we're doing this, the justification and where the money is going and how to track it.

Mr. West explained that the senior center has kind of been an island within itself doing their own audits, grants and things on their own. . However, as a Town department it needs to be under one finance. He doesn't have enough information to clearly define what the needs of the seniors and the needs of the community. They are trying to get information from the senior center to do a mini audit to see how everything fits. Over the next year he would like to be able to get more in depth with Sharon and Karen to understand it fully. He also advised Sharon that she has an opportunity to address the council and make them aware of what she does.

Mr. West noted that Councilman Luca's suggestion of pulling the ancillary monies or the difference from last year and this year is a good idea because there are grants in process and he isn't sure how many grants are riding on this budget. She may have signed grants that the Town is committed to and we'll need the ability to pull the money. This allows him and Karen to work closely with Sharon to make sure they know what's going on before putting that money back into the coffers to be spent. This is a good way to set this up, everything gets accomplished and the money still sits in a contingency and it doesn't change the budget.

Councilman Baca agreed stating that he is a big proponent of the senior center and need to work for the seniors in our community noting that they need more information from Sharon. They need to focus on our seniors.

Councilman Thebeau agreed and said they really need to tighten up and really look at the grants, and take out some of the other services offered. There are other agencies in the County that takes care of other services. He further stated that they should stop applying for grants not associated with seniors.

Councilman Thebeau questioned why Continuing Education had not been allocated to all the departments. Town Manger West said all the departments have a budget for travel and training, but under continuing education they can track education expenses.

Mayor Nedrow reminded the Council that the bottom line of the budget can't change but if they would like to move money around it will have to come out of one budget to put into another.

Councilman Baca stated he had concerns with Casa Malpais. The income from Casa doesn't pay for itself and thought the money would be better used in the Chamber. With the money we're losing the money would be better spent on the Chamber because it benefit the Town.

Councilman Wilkins said he agreed. He voiced his disapproval of the decrease to the Chamber budget by \$8,000 and the increase Casa Salaries and Wages budget by \$9,000. He said we've taken the money from the Chamber and given it to the Casa Malpais and changed the relationship between the two. He said the Chamber Board had received information on a clean break between the two entities during a meeting which confused the Board as they had no idea about this. He said he was also confused because this is a council policy change decision and he didn't know anything about this split. He stated that this has worked well for the past ten years and the money needs to be put back into the chamber. The Council can look at and study over the next year and then make a decision but it needs to stop now.

He offered his services to meet with the chamber and assist them with gathering data to see what's working, what isn't working and where they need to go and present it in March of next year. He stated the council had not talked to the parties being affected and he didn't think anyone had talked to the Chamber President Dennis Weiskircher and said it was a discourtesy not to say anything to him. He made the following motion:

To move the \$8,000 back into the chamber and have the two departments continue working together until they have time to study it.

He then talked about the increase of \$17,520 to the Casa Malpais budget this year stating this was a huge amount. He said he didn't any money set aside to plan for the move to the new building. Without a plan we don't move or build it out. We are spending \$4,500 to buy things to resell and furniture and equipment

and asked why we're buying furniture and equipment. He said they should take those two items and set aside \$5 or \$6,000 to hire a professional to plan for the museum. He reiterated that we don't need to go out and buy resale items or furniture and felt this was a terrible budget and that money needs to be set aside for the future.

Mayor Nedrow stated in defense of the council that this item had been discussed at a council meeting with a majority present this past year with Linda and the attorney's present. This wasn't something that came out of thin air. A majority of the council said they wanted to look into changing it and separating them.

Town Manager West stated that this had already be done. He explained that we can hold the chamber at it's level by having them request \$5,000 from the Tourism Tax stating that only that only \$5,000 was taken out of the chamber not \$8,000.

CFO Asquith asked Councilman Wilkins if he wanted her to again budget his contribution back into the chamber budget. He answered that he didn't know but he wanted the chamber to have the money they had before.

Councilman Baca again stated that we need to look in the future to help promote the chamber so they can make more revenue. We can't keep funding the Casa when their revenue is minimal.

Mayor Nedrow asked if Linda's ever had the chance to have control of Casa to try to make it work. This is the first year she's been given the chance to make it work.

Council Thebeau stated that he felt there was some resentment toward Casa. In looking at the budget Casa did generate revenue and without the potential of sales. It will be a real jewel and worth every dime they're giving them. He stated it's hard to generate revenue without the facility or the equipment to do. He is all for giving her a chance and don't touch that budget. He reiterated that they should give Casa a chance to generate more revenue and let them have some seed money to open this museum with Native Art and books, and curios.

Councilman Baca defended his opinion stating that the revenue they generate versus what the Town pays out.

CFO Asquith explained that historically their revenue is higher but with the economic decline last year and the revenue is down in every department. As the finance director she can't ethically budget maybe money but she's pretty sure they will get the \$9,000 back, if they don't we'll know that we're on a holding pattern for a couple of years. The real question would be "is there value for the community". Linda has stated that if she had more advertising money she might be able to draw some more people in to the Casa.

Town Manager West explained that some of the rise is in salary but some is in the split. We need to give Casa a chance.

Councilman Baca reiterated that he isn't trying to get rid of Casa but from a business point, the amount of money Casa generates is small compared to the \$88,000 expenditure.

Town Manager West explained that we have to try this to see if it's going to work and we have to at least give it the chance for survivability to see what is going to do before whack it. If you're going to whack it, then do it on its merits which we don't know what they are.

Councilman Wilkins noted that it looks like Casa is going to hire additional staff and when the two organizations are working together there isn't a need for additional staff. They need to make it efficient and he doesn't see a need for additional person right now and he feels that they need to reduce that budget by the difference between the income and the budget.

Councilman Lucas stated for the record that he would like to challenge Casa to come back at sometime in the future and attempt to put a measure to how they spent \$90,000 and get some feedback, and goals for justification.

CFO Asquith explained that the measurement standard would be the same as the chamber. The chamber doesn't generate revenue from the visitor's that come in the businesses do and it's the same for Casa. It's not just revenue for the Town versus expense it's also a benefit for the community which is a measurement we can only get by doing surveys and feedback.

Councilman Lucas amended his motion that the tentative budget be adopted as the final budget with the following modification concerning the senior center; take the amount going from the general fund \$82,056, lines 487 in the amount of \$44,000, line 488 in the amount of \$83,000, line 605 in the amount of \$70,000 and line 610 in the amount of \$25, 000 and put them into the contingency status in the general fund and release or transfer it to the senior center upon a approval and authorization by the Town Manager.

Town Manager West suggested that Councilman Lucas state that the difference between last years and this years budget be held in a contingency fund.

CFO Asquith explained that the issue is the transfer and those are expenditures. A transfer for the senior center is revenue. She can't put an expenditure in a contingency fund.

Mr. West asked that he make his amendment to state he would like the difference.

Councilman Lucas stated he would like the difference the balance of \$46, 156.00 to be held in a contingency fund and released to the senior center only upon review and authorization by the Town Manager and reported to the council so they understand what those expenditures are and where they're going.

Vote:	Ayes:	Mary Nedrow
		Eric Baca
		Bill Lucas
		Ron Thebeau
		Phelps Wilkins

Councilman Wilkins proposed an amendment to the motion to take line item 101 under salaries and wages on Casa Malpais in the amount of \$9,826 and take from that line item the amount of money that it will take to bring the chamber back to it's original funding.

The motion was seconded by Councilman Baca and asked for clarification on the wages of \$9,826.

CFO Asquith stated that this is 16 hour a week staff person for Casa due to the proposed split and if they're not covering we need to hire a person. She also noted that it's not appropriate to target a specific line item but to state we want to reduce the budget.

Councilman Wilkins amended his motion to state that.

Councilman Thebeau stated that in defense of Casa, Linda she has had to run Casa alone and if indeed they had that staffer to help both agencies it would free up the manager to pursue revenues and improve the facility. He didn't feel that they need take anything away.

Councilman Baca asked if they could come up with this money without attacking Casa.

He was advised that we would have to find that money some place which means that something has to be reduced.

CFO Asquith suggested that the other idea behind this is for the Chamber to apply to the Tourism Tax Committee to fund them. Tourism Tax fund gave the \$10, 000 one year and but this year and she suggested that Jennifer could apply for \$7,000.

Town Manager West said that he felt that the goal was set and they met that goal before any of the discussion the council has done on this and up to the council to either accept or deny this motion.

The clerk was asked to restate the motion. The motion was amended to remove the specific line item and reduce the Casa budget by \$9,000.

Councilman Wilkins stated this was not \$9,000 but the amount of money we need to replace which he said was \$8,000 on the other page.

CFO Asquith explained that the amount of money the Town contributed was \$5,000 plus the stipend that he contributes to the chamber. Ms. Asquith suggested that it may be cleaner if in the future he donate his stipend directly to the chamber instead of through the Town. She clarified that if he would like the town contribution to equal what it did last year that amount if \$5,000.

Councilman Wilkins said that's what he wants.

Mr. West explained that the better way to go would be is to go through Tourism Tax to get the \$5,000 and that budget would be right back where it was without having to destroy anything.

Councilman Wilkins stated that the only problem he has is that the chamber is important and valuable enough that they are funded to the amount the council agreed on and they shouldn't have to go out and do special things. Then if they want to apply for additional funding they could do this. He agreed that this is good use of the Tourism Tax money.

Chamber President Linda Martin asked to address the council and said they don't want to create any hardships between the Casa and the Chamber with working relationships they would just like to leave it as it is and go through the Tourism Tax.

Councilman Wilkins withdrew his motion, Councilman Baca withdrew his second.

Mr. West clarified that now have a budget with an amendment requesting taking the difference of \$44,000 to be held in a contingency fund for the senior center until their books are straightened out where information can be provided to the council on why it is what it is and when it's spend, and where it went.

Mayor Nedrow called for a vote on the resolution.

Ms. Asquith asked that the motion include adoption of the tentative budget as the final budget to include the modification.

Eric Baca/Phelps Wilkins motion to adopt the tentative budget as the final budget with the amendment modification number one.

Vote:	Ayes:	Mary Nedrow
		Eric Baca
		Bill Lucas
		Ron Thebeau
		Phelps Wilkins

Bill Lucas/Ron Thebeau motion to adjourn the meeting at 7:18 p.m.

Vote:	Ayes:	Mary Nedrow
		Eric Baca
		Bill Lucas
		Ron Thebeau
		Phelps Wilkins

---

Mary Nedrow, Mayor

ATTEST:

---

Town Clerk

I hereby certify that the foregoing is a true and correct copy of the minutes of the Springerville Town Council in a public hearing/special meeting on Tuesday, August 25, 2009. I further certify that the meeting was duly held and a quorum was present.

Dated this 3<sup>rd</sup> day of September, 2009

---

Town Clerk